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October 27, 2004

Ms. Marlene H. Dortch, Secretary  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

RECEIVED & INSPECTED

NOV 2 - 2004

FCC - MAILROOM

Re: Joint Petition for Waiver of Definition of "Study Area"  
Of the Appendix Glossary of Part 36 of the  
Commission's Rules filed by Qwest Corporation and  
Direct Communications Cedar Valley, LLC; and

Petition for Waiver of Sections 69-2(hh) and 69.605(c)  
Of the Commission's Rules filed by Direct  
Communications Rockland, Inc. and Direct  
Communications Cedar Valley, LLC

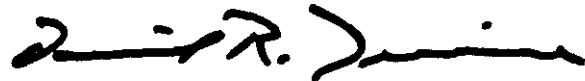
Dear Ms. Dortch:

Enclosed please find an original and four copies of each of the petitions above-described, together with a "stamp and return" duplicate of each petition.

The requisite filing fees and FCC Form 159 Remittance Advice is being submitted via Fedex to Mellon Bank, Pittsburgh, PA on this same date.

Please acknowledge receipt on the "stamp and return" duplicate document included with each petition for this purpose. All correspondence and inquiries concerning these filings should be addressed to the undersigned.

Respectfully submitted,



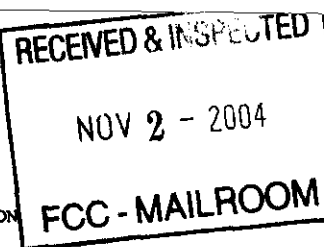
David R. Irvine  
Attorney for Direct Communications  
Rockland, Inc. and  
Direct Communications Cedar Valley, LLC

DRI:sp

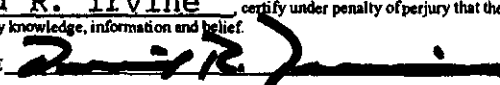
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11/2/04

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE



Approved by OMB  
3060-0589  
Page No. 1 of 2

(1) LOCK BOX # 358140		SPECIAL USE ONLY	
		FCC USE ONLY	
<b>SECTION A - PAYER INFORMATION</b>			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Direct Communications Rockland, Inc.		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$6,840.00	
(4) STREET ADDRESS LINE NO. 1 150 South Main Street			
(5) STREET ADDRESS LINE NO. 2 Box 269			
(6) CITY Rockland		(7) STATE ID	(8) ZIP CODE 83271
(9) DAYTIME TELEPHONE NUMBER (include area code) (208) 548-2345		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0004321790		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 155-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Direct Communications Cedar Valley, LLC			
(14) STREET ADDRESS LINE NO. 1 350 South 400 East			
(15) STREET ADDRESS LINE NO. 2 Ste. 201			
(16) CITY Salt Lake City		(17) STATE UT	(18) ZIP CODE 84111
(19) DAYTIME TELEPHONE NUMBER (include area code) (801) 363-4011		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0011862927		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE BEA	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$6,840.00	(27A) TOTAL FEE \$6,840.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
<b>SECTION D - CERTIFICATION</b>			
CERTIFICATION STATEMENT David R. Irvine, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE 		DATE 10/27/04	
<b>SECTION E - CREDIT CARD PAYMENT INFORMATION</b>			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE _____		DATE _____	

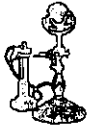
SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2003 (REVISED)

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) Page No. <u>2</u> of <u>2</u>		SPECIAL USE FCC USE ONLY
<b>USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION</b>		
(13) APPLICANT NAME <b>Qwest Corporation</b>		
(14) STREET ADDRESS LINE NO. 1 <b>607 14th St., N.W.</b>		
(15) STREET ADDRESS LINE NO. 2 <b>Ste. 950</b>		
(16) CITY <b>Washington</b>	(17) STATE <b>DC</b>	(18) ZIP CODE <b>20005</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>(303) 383-6653</b>		(20) COUNTRY CODE (if not in U.S.A.)
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>		
(21) APPLICANT (FRN) <b>0003746757</b>		(22) FCC USE ONLY
<b>COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

<b>FEDERAL COMMUNICATIONS COMMISSION</b> <b>REMITTANCE ADVICE (CONTINUATION SHEET)</b> Page No. <b>3</b> of <b>4</b>		(16) PAYEE NAME (17) PAYEE ADDRESS	
<b>USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT</b> <b>SECTION BB - ADDITIONAL APPLICANT INFORMATION</b>			
(13) APPLICANT NAME <b>Direct Communications Cedar Valley, LLC</b>			
(14) STREET ADDRESS LINE NO. 1 <b>350 South 400 East</b>			
(15) STREET ADDRESS LINE NO. 2 <b>Ste. 201</b>			
(16) CITY <b>Salt Lake City.</b>		(17) STATE <b>UT</b>	(18) ZIP CODE <b>84111</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>(801) 363-4011</b>		(20) COUNTRY CODE (if not in U.S.A.)	
<b>FCC REGISTRATION NUMBER (FRN) REQUIRED</b>			
(21) APPLICANT (FRN) <b>0011862927</b>		(22) PAYEE (FRN)	
<b>COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET</b>			
(23A) CALL SIGN/OTHER ID		(24A) PAYMENT TYPE CODE	
(25A) QUANTITY		(26A) FEE DUE FOR (PTC)	
(27A) TOTAL FEE		(28A) FCC CODE 1	
(29A) FCC CODE 2		(23B) CALL SIGN/OTHER ID	
(24B) PAYMENT TYPE CODE		(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)		(27B) TOTAL FEE	
(28B) FCC CODE 1		(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID		(24C) PAYMENT TYPE CODE	
(25C) QUANTITY		(26C) FEE DUE FOR (PTC)	
(27C) TOTAL FEE		(28C) FCC CODE 1	
(29C) FCC CODE 2		(23D) CALL SIGN/OTHER ID	
(24D) PAYMENT TYPE CODE		(25D) QUANTITY	
(26D) FEE DUE FOR (PTC)		(27D) TOTAL FEE	
(28D) FCC CODE 1		(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID		(24E) PAYMENT TYPE CODE	
(25E) QUANTITY		(26E) FEE DUE FOR (PTC)	
(27E) TOTAL FEE		(28E) FCC CODE 1	
(29E) FCC CODE 2		(23F) CALL SIGN/OTHER ID	
(24F) PAYMENT TYPE CODE		(25F) QUANTITY	
(26F) FEE DUE FOR (PTC)		(27F) TOTAL FEE	
(28F) FCC CODE 1		(29F) FCC CODE 2	



**DIRECT COMMUNICATIONS ROCKLAND, INC.**

**GENERAL FUND**

P.O. BOX 269 • (208) 548-2345  
ROCKLAND, IDAHO 83271

**ZIONS BANK**  
PARIS OFFICE  
90 NORTH MAIN STREET  
PARIS, IDAHO 83261  
92-112 / 1241 424

CHECK NUMBER

**3194**

00453

CHECK NO.	DATE	AMOUNT
03194	10/19/04	****6,840.00

PAY

SIX THOUSAND EIGHT HUNDRED FORTY DOLLARS AND 00 CENTS

TO  
THE  
ORDER  
OF

FEDERAL COMMUNICATION COMMISSION

Washington DC

Void After 90 Days  
*Leonard My*

⑈003194⑈ ⑆124101128⑆ 424 00048 7⑈

**DIRECT COMMUNICATIONS ROCKLAND, INC. • GENERAL FUND • Rockland, Idaho 83271**

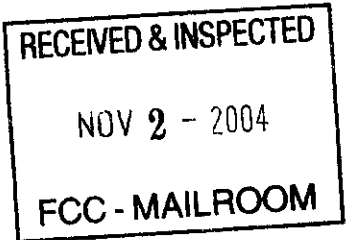
PLEASE DETACH AND RETAIN BOTTOM STUB

DATE	INVOICE NO.	AMOUNT	DATE	INVOICE NO.	AMOUNT
10/19/04	JOINT PETITION	6840.00			

**3194**

**3194**

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**



In the Matter of )  
 )  
Direct Communications Cedar Valley, LLC )  
 )  
and )  
 )  
Qwest Corporation )  
 )  
Joint Petition for Waiver of the definition of )  
"Study Area" of the Appendix-Glossary of )  
Part 36 of the Commission's Rules )  
\_\_\_\_\_ )

CC Docket No. 96-45

To: Chief, Wireline Competition Bureau

**JOINT PETITION FOR EXPEDITED WAIVER**

Pursuant to Section 1.3 of the Federal Communication Commission's ("FCC" or "Commission") Rules,<sup>1</sup> Direct Communications Cedar Valley, LLC ("DCCV") and Qwest Corporation ("Qwest") (together, "Petitioners"), by and through their counsel, request a waiver of the definition of "study area" contained in the Appendix—Glossary of Part 36 of the Commission's Rules.

Petitioners request these waivers to enable DCCV to complete its proposed purchase of the municipal telephone system owned and operated by Eagle Mountain City ("EMC") within the State of Utah. The area served by EMC's municipal telephone system is currently within Qwest's Utah study area,

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<sup>1</sup> 47 C.F.R. § 1.3.

and Petitioners request that the territory included within EMC's municipal telephone system be removed from Qwest's study area in Utah and recognized as a separate study area for DCCV. Exhibit 1, attached hereto, identifies the area to be served by DCCV.

Petitioners request that this Petition be reviewed and approved expeditiously. The facts and circumstances supporting approval are similar in material respects to those involved in waiver requests that have been approved recently.<sup>2</sup> Prompt approval will enable DCCV to focus time and resources on the system it will purchase immediately following the transaction closing, which it seeks to accomplish before the end of calendar year 2004. Approval is also necessary in order for DCCV to receive federal Universal Service Fund ("USF") support at the time it begins to operate the system.

### **INTRODUCTION**

Qwest is the largest incumbent local exchange carrier in Utah ("ILEC"). It is a price cap carrier, and, as of June 30, 2004, it owns and operates 1,026,961 access lines in 54 exchanges throughout Utah, including internal and official lines. Although Qwest has never had telephone facilities in the area served by the EMC municipal system, the area has been within Qwest's Utah study area.

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<sup>2</sup> See, e.g., *Dickey Rural Telephone Cooperative, et al. And Citizens Telecommunications Company of North Dakota, Joint Petition for Waiver of Definition of "Study Area" Contained in the Part 36, Appendix-Glossary of the Commission's Rules, Petition for Waiver of Sections 61.41(c) and (d), 69.3(e)(11) and 69.605(c), Order, 17 FCC Rcd 16881 (Wir. Comp. Bur. 2002) ("Dickey Rural Order"); Petition for Waivers Filed by Baltic Telecom Cooperative, Inc., et al., Concerning Sections 69.3(11), 69.3(i)(4), 69.605(c) and the Definition of "Study Area" Contained in the Part 36 Appendix-Glossary of the Commission's Rules, Memorandum Opinion and Order, 12 FCC Rcd 2433 (Acc. Aud. Div. 1997) ("Baltic Order").*

That study area is referred to by the Universal Service Administrative Company ("USAC") as study area code 505107. After the purchase transaction is completed by DCCV, Qwest will continue to provide local telephone service within the other Utah areas it serves and will retain its study area for those exchanges.

DCCV is a newly-formed Utah company whose corporate parent, Direct Communications Rockland, Inc. ("DCRI") is a certificated incumbent ILEC in the State of Idaho. DCCV was formed solely to operate the system to be purchased from EMC and that system's 2,223 subscribers; it serves no customers at the present time. DCRI, the parent corporation, serves approximately 1,500 rural subscribers in Rockland, Arbon, and the southern half of Bear Lake County in Idaho. DCRI is an eligible telecommunications carrier under the federal Act, and it receives federal USF support as a "cost company" carrier in Idaho, not a "price cap company." DCRI is not a competitive local exchange carrier ("CLEC"), nor does it control any companies operating as CLECs.

As will be discussed below in more detail, the factors that the Commission requires for a study area waiver are, or will be, all present in this case: (1) the public interest will be served by approving the waiver; (2) the Utah Public Service Commission ("UPSC") supports and recommends this proposal; and (3) the purchase of the EMC municipal system by DCCV will not adversely impact the USF.



Related to this Petition, on this day, Petitioner DCCV is also filing an application requesting a waiver of Sections 36.611, 36.612, 69.2(hh), and waiver of the filing deadlines set forth in Sections 54.314(d) and 54.307(c) in order to permit immediate access to USF support. In that application, DCCV has also requested average schedule treatment under Section 69.605(c).

### **WAIVER OF THE FROZEN STUDY AREA DEFINITION IS WARRANTED**

Petitioners seek a waiver of the frozen study area definition. Part 36 of the Commission's Rules "freezes" the definition of "study area" to the boundaries that were in existence on November 15, 1984. Although the rule was adopted to prevent a carrier from segregating territories artificially to maximize high-cost support,<sup>3</sup> the Commission has recognized that changes "that result from the purchase or sale of exchanges in arms-length transactions" do not necessarily raise the concerns which prompted the freeze.<sup>4</sup>

The Commission has recognized that failure to waive the rule in the case of the sale of exchanges would produce an absurd result, forcing the seller to continue to include exchanges in its study area for which it has no costs, and preventing the buyer from including in its study area exchanges it actually serves.<sup>5</sup> Such a result would not serve the Commission's policy objective of

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<sup>3</sup> See *MTS and WATS Market Structure, Amendment of Part 67 of the Rules and Establishment of a Joint Board*, Recommended Decision & Order, 57 RR 2d 267, ¶ 65 (1984).

<sup>4</sup> See, e.g., *Alltel Corporation Petition for Waiver of Section 36.125(f), Sections 36.154(e)(1) and (2), and the Definition of "Study Area" contained in Part 36, Appendix-Glossary of the Commission's Rules*, Memorandum Opinion and Order, 5 FCC Rcd 7505, ¶ 7 (Com. Car. Bur. 1990).

ensuring that carriers' actual costs are reflected in their accounting so that they can accurately set just, reasonable, and non-discriminatory rates. Moreover, with respect to the purchase transaction which is the subject of this Petition, Qwest has never had facilities in the area served by the EMC municipal system, nor does Qwest draw USF support for that area or the remaining Qwest exchanges in its study area. Qwest is not the seller of the system which DCCV will purchase, or a party to the transaction, and the waiver sought herein will conform the Commission's policy objectives to the operational facts on the ground.

**A. Granting the Waiver Is in the Public Interest.**

The EMC municipal telephone system was created in 1997 to serve an area in which no other carrier had facilities. From its inception, it has been problematic for EMC, its subscribers, and Utah regulators.<sup>6</sup> As a municipal utility, Utah law barred it from receiving state USF support, and all of the expenses of constructing and operating the system have been borne by the subscribers. They pay the highest basic local rates in Utah, at \$27.00 per month, which is \$4.05 higher than the State's USF ceiling rate of \$13.50 per residential access line (when the extended area service [EAS] and carrier access line charge [CALC] are added to the "affordable rate" target used by the UPSC).<sup>7</sup>

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<sup>5</sup> *Amendment to Part 36 to the Commission's Rules and Establishment of a Joint Board*, Notice of Proposed Rulemaking, 5 FCC Rcd 5974, 5975-76 (1990) ("*Part 36 NPRM*").

<sup>6</sup> *Id.* at Page 5.

<sup>7</sup> *Id.* at Page 6, 7.

The purchase contract between EMC and DCCV is conditioned on DCCV receiving state and federal USF support.<sup>8</sup> If DCCV cannot qualify for USF support, the current subscribers will have to bear the full costs of the growth, maintenance, and operation of the EMC system. A switch replacement three years ago allowed subscribers access to many, but not all, features and services considered standard options by other Utah ILECs. The sale of the system to DCCV will expand the state-of-the-art service options available to subscribers, and will put the system under the management and operation of a technologically experienced and financially stable private carrier. DCCV can obtain capital financing on more reasonable terms than can EMC in order to finance growth and improvements.<sup>9</sup>

The UPSC has found the transaction and DCCV's operation of the EMC system to be in the public interest.<sup>10</sup> Regardless of who operates the system, it cannot economically be sustained, absent USF support, without raising rates for the subscribers. EMC has advised state regulators that if the sale transaction cannot be closed by December 31, 2004, the City will have to raise subscriber rates by approximately \$11.00 per month in order to meet current operating expenses.<sup>11</sup> As rates increase so dramatically, it is likely that some number of

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<sup>8</sup> *Id.* at ¶ 6, Page 22.

<sup>9</sup> *Id.* at Page 7.

<sup>10</sup> *Id.* at ¶¶ 1, 2, Page 15.

subscribers will find telephone service unaffordable and will discontinue service. Not only will such a result make DCCV's purchase more economically questionable, it will put the community at risk.

The area served by the EMC system is approximately 5 miles south of the nearest state highway. There are no services of any nature within the City, other than municipal services, and there is very little commercial activity. This isolated community of 6,093 persons is 8 miles from the nearest life supporting facilities. It is 30 miles from the nearest fully-equipped hospital, and life-threatening emergencies require evacuation by air ambulance. It is one of the few areas along Utah's Wasatch Front where young families can find affordable, entry-level homes. Approximately 40% of the population is under age 12; the average age of the population is 21 years. The area does not have reliable wireless telephone service, and reliable, available landline telephone service is critical to public health and safety. The sale to DCCV, therefore, is a matter of significant urgency to the City.

**B. State Commission Approval of a Study Area Waiver.**

On August 9, 2004, the Utah Public Service Commission issued its Order granting DCCV a certificate of public convenience and necessity, thereby certificating DCCV to provide telephone service to the area served by the EMC municipal system once the purchase transaction is closed. At Page 9 of that

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11 The UPSC noted the City's rate increase problem at Page 7 of its Order in Docket No. 04-2419-01, issued August 9, 2004. Mayor Kevin Bailey reiterated the comments to members of the FCC staff on August 25, 2004.

Order, the UPSC stated, "The Commission has no objection to and supports the modification of Qwest's FCC study area that will be needed to consummate the sale and allow transfer of the service area."<sup>12</sup> In accordance with the Stipulation entered into between the parties in the docket before the UPSC, Qwest has filed its conditional petition with the UPSC to amend its certificate and exclude from its Lehi Exchange the area now served by the EMC municipal system. The UPSC certificated that excluded territory to DCCV.<sup>13</sup> The Petitioners herein will supplement this Joint Petition for Expedited Waiver when the UPSC issues its order approving Qwest's certificate amendment petition.

**C. The Change in Study Area Boundaries Will Not Adversely Affect the Universal Service Fund.**

To evaluate whether a study area boundary change adversely impacts the USF, the Commission analyzes whether a study area waiver will result in an annual aggregate shift in high-cost support in an amount greater than one percent of the total high-cost support fund for the year.<sup>14</sup> The proposed transaction between EMC and DCCV will produce no such adverse impact, as Section 54.305 of the Commission's Rules provides in pertinent part:

A carrier that acquires telephone exchanges from an unaffiliated carrier shall receive universal service support for the acquired exchanges at the same

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<sup>12</sup> UPSC Docket No. 04-2419-01, Order, issued August 9, 2004.

<sup>13</sup> *Id.*

<sup>14</sup> See, e.g. *US WEST Communications, Inc., and Eagle Telecommunications, Inc., Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules*, Memorandum Opinion and Order, 10 FCC Rcd 1771, 1774, ¶ 14 (1995) ("Eagle Order"); *Norway Order*, ¶ 9.

per-line support levels for which those exchanges were eligible prior to the transfer of the exchanges.<sup>15</sup>

As a municipal system serving a high-cost rural area, EMC was eligible to receive federal (but not Utah) USF support; however the City, which has operated its system only since 1997, did not apply for NECA membership or federal USF support. DCCV is, therefore, the successor to EMC's position rather than Qwest's position with respect to federal USF support. It is inconceivable that DCCV's USF support could rise to \$38 million – the figure that now approximates an aggregated one percent increase of annual high cost support.<sup>16</sup> The number of subscriber lines DCCV will serve as a consequence of the purchase transaction with EMC is approximately 2,233. The rates charged by EMC are \$27 per residential line per month, the highest basic local rates in Utah. If federal USF support were substituted for the entire monthly subscriber line revenue for the EMC system, an unthinkable circumstance, the annual total would be \$723,492 per year. Accordingly, this transaction is a non-event for purposes of the USF.

### CONCLUSION

The study area waiver and modification sought herein is a necessary step in order to qualify DCCV, a new company purchasing a municipal system in an

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<sup>15</sup> 47 C.F.R. § 54.305(a).

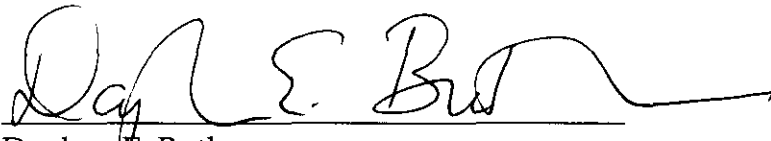
<sup>16</sup> USAC's most recent projections show annual high cost support exceeding \$3.8 billion. See USAC, HC01 - High Cost Support Projected by State by Study Area - 3Q2004.xls, online at <http://www.universalservice.org/> ("USAC HC01").

area no ILEC has previously served, for federal USF support. The immediate request is directly analogous to comparable requests routinely granted by the Commission for similarly situated carriers. Therefore, good cause having been shown, Petitioners respectfully request that this Joint Petition be granted on an expedited basis, thereby affording the affected customers the ability to benefit from the planned acquisition as soon as possible.

DATED this 27<sup>th</sup> day of October, 2004.



David R. Irvine  
Attorney for Direct Communications, LLC  
350 South 400 East, Suite 201  
Salt Lake City, UT 84111  
(801) 363-4011



Daphne E. Butler  
Attorney for Qwest Corporation  
607 14<sup>th</sup> Street, N.W., Suite 950  
Washington, D.C. 20005

## EXHIBIT 1

### Description of Qwest and Direct Communications Cedar Valley Study Area Modifications

Add to QWEST's LEHIUTMA exchange area:

North ½ sec 2, T 5 S, R 1 W

All of sec 3, 7, 8, 9, 10, T 5 S, R 1 W

All of sec 7, 8, 9, 10, 11, 12, T 5 S, R 2 W

Delete from QWEST's LEHIUTMA exchange area (deleted area becomes DIRECT COMMUNICATIONS Eagle Mountain service area):

Sec 17, T 5 S, R 1 W

All except 100' either side of C/L of S.R. 73,

SW ¼ OF SW ¼ ,

South ½ of NW ¼ OF SW ¼ &

50' wide strip along the East and North edges of the NW ¼ of the SW ¼

Sec 18, T 5 S, R 1 W

All North of 100' North of C/L of S.R. 73 except:

NE ¼ of NE ¼ of NE ¼ of SE ¼

Sec 19, T 5 S, R 1 W

Only SE ¼ of SW ¼

Sec 20, T 5 S, R 1 W

All except NW ¼ of NW ¼

Sec 28, 29, 30, 31, 32 & 33, T 5 S, R 1 W

All

Sec 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32 & 33, T 6 S, R 1 W

All

Sec 4, 5, 6, 7, 8 & 9, T 7 S, R 1 W

All

Sec 13, T 5 S, R 2 W

All North of 100' North of C/L S.R. 73

Sec 14, 15 & 22, T 5 S, R 2 W

All

Sec 23, T 5 S, R 2 W

All except East 50', South of S.R. 73



Sec 24, T 5 S, R 2 W

All except West 50', South of S.R. 73,  
100' either side of C/L of S.R. 73,  
and N/E 1/4

Sec 25, T 5 S, R 2 W

All except NW 1/4 of NW 1/4 of NW 1/4

Sec 26, T 5 S, R 2 W

All except 50' along East side of NE 1/4 of NE 1/4 of NE 1/4

Sec 27, 34, 35 & 36, T 5 S, R 2 W

All

Sec 1, 2 & 3, T 6 S, R 2 W

All

Sec 10, T 6 S, R 2 W

All except South 100'

Sec 11, 12, & 13, T 6 S, R 2 W

All

Sec 14, T 6 S, R 2 W

All except West 150'

Sec 15, T 6 S, R 2 W

All except NW 1/4 of NW 1/4 of NW 1/4, 150' along remainder of North side  
& East 150'

Sec 22, T 6 S, R 2 W

All except East 150'

Sec 23, T 6 S, R 2 W

All except West 150'

Sec 24 & 25, T 6 S, R 2 W

All

Sec 26, T 6 S, R 2 W

All except West 150' of NW 1/4

Sec 27, T 6 S, R 2 W

All except East 150' of NE 1/4

Sec 34, 35, & 36, T 6 S, R 2 W  
All

Sec 1, 2, 3, 10, 11 & 12, T 7 S, R 2 W  
All

The base reference point for all of the cited sections is the Salt Lake Base and Meridian.